

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency

Washington, DC 20250

Notice FC-157

For: State Offices

Program Loan Cost Expense (PLCE) Funds for FY 1998 Allocation

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksey

1 Overview

A

Background

The FY 1998 allocation of funds has been computed for State Office Farm Loan Programs. PLCE funds are only allocated to those States that have an Ag Credit Director.

B

Purpose

This notice:

- contains the allocation of FY 1998 contractual and noncontractual PLCE funds to State Offices (Exhibit 1)
- establishes the first quarter funding limits.

2 PLCE Accounts

A

Account Types

Each State allocation is divided into 3 nontransferable accounts, each with its own specific purpose and designated loan cohort. It is imperative to keep these fund purposes in mind when planning the timing of obligations and disbursements throughout FY. The three PLCE accounts for each State are as follows:

- Agricultural Credit Insurance Fund (ACIF) Program Account (nonrecoverable)

Continued on the next page

Disposal Date	Distribution
October 1, 1998	State Offices

Notice FC-157

2 PLCE Accounts (Continued)

A

Account Types (Continued)

- ACIF Direct Loan Financing Account (recoverable)
 - ACIF Liquidating Account (recoverable).
-

B

Account Descriptions

The Program Account, "A" account, is used to pay PLCE's that are not chargeable to a borrower or inventory property account.

The Direct Loan Financing Account, "R" account, is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated in FY 1992 or subsequent years.

The Liquidating Account, "L" account, is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated before FY 1992.

Note: The oldest outstanding loan will be the factor for determining which recoverable account, "L" or "R", will be charged the expense.

3 PLCE Activities

A

PLCE Types

See FmHA Instruction 2024-A, Exhibit D, to understand where specific contractual and noncontractual costs should be charged, and if the cost is recoverable or nonrecoverable.

B

Guaranteed Loan Expenses

Funding for PLCE recoverable guaranteed loan expenses are not allocated. Contact the National Office for instructions on how to process a recoverable guaranteed loan cost expense.

C

Environmental Services

All PLCE funds for environmental expenses and related program authorities for approval by the Administrator will be maintained in the National Office. These requests for environmental services must be sent to DAFLP. All other PLCE funds for environmental expenses and related program authorities will be maintained at the State, District, or County level. SED shall forward all claims and judgment requests to DAFLP.

Continued on the next page

3 PLCE Activities (Continued)

D

Program Activity Authorizations

Exhibit 2 is the latest draft of FmHA Instruction 2024-A, Exhibit D. Offices shall use Exhibit 2 until the information is incorporated into an FSA handbook.

Note: The authorities in the program authority tables referring to specific positions under the former FmHA are redelegated to the FSA Farm Loan Program officials; that is, the former FmHA Farmer Programs Chief is now FSA Ag Credit Director, etc.

If additional program authority is needed to use PLCE funds, SED shall forward a written request to DAFLP. To obligate and control funds, track expenses, and determine program authority, each type of expense must be identified by a unique program authority code (PAC). PAC consists of 4 consecutive alpha-numeric characters. For an explanation on development of PAC, refer to FmHA Instruction 2024-A, Exhibit D.

E

Processing Requests

All requests for contractual and noncontractual PLCE funds must be processed using RD 1955-62. RD 1955-62 is applicable for either contractual or noncontractual expenses and for contract amendments. See the current Forms Manual Insert for RD 1955-62. The form will be revised in the near future. As an option, use AD-700 in place of RD 1955-62 for processing PLCE funds.

F

Funding Limits

Exhibit 1 lists the State's first quarter funding limits by account, which is 50 percent of the State's total FY 1998 allocation. The National Office plans to allocate up to 100 percent in the second quarter. SED shall not exceed the first quarter amounts in Exhibit 1 before December 31, 1997.

After careful review of each State's allocation, it is believed that sufficient funding is available through the first quarter. However, if additional funding is required, SED shall FAX a written request to Michael R. Hinton, LMD, on 202-690-1117. Funding limits for the second quarter will be provided by December 31, 1997.

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3 PLCE Activities (Continued)

G

State Office Action

Each State Office shall determine the best method to:

- certify PLCE fund availability through the State Office Farm Loan Programs
 - suballocate the allocation to various areas, such as Appraisal Staffs and Ag Credit Teams.
-

H

Responsibilities

The Farm Loan Programs liaison is responsible for monitoring obligations and disbursements of PLCE allocated monies by account to avoid violation of the Anti-Deficiency Act. Specifically, the State Office Farm Loan Programs staff is responsible for determining and documenting how these monies will best be used to meet program goals and objectives, and is accountable for the proper use of these monies.

State Offices are required to issue a State Notice identifying their method, naming the program official to certify PLCE fund availability, and if these funds are suballocated, distributing amounts by program and account.

4 Contact

A

National Office Contact

For questions about this notice, State Office officials shall contact Mike Hinton or Jerry Moseman.

FY 1998 Program Loan Cost Allocations

	Program Account (A Funds)		Financing Account (R Funds)		Liquidating Account (L Funds)	
	First Quarter	FY 1998 Total	First Quarter	FY 1998 Total	First Quarter	FY 1998 Total
Alabama	\$25,145	\$50,289	\$21,689	\$43,378	\$62,441	\$124,882
Alaska	\$7,115	\$14,230	\$232	\$464	\$481	\$961
Arizona	\$33,154	\$66,308	\$19,427	\$38,855	\$181,576	\$363,153
Arkansas	\$103,953	\$207,907	\$71,759	\$143,518	\$278,916	\$557,831
California	\$126,543	\$253,086	\$66,327	\$132,654	\$640,098	\$1,280,196
Colorado	\$65,518	\$131,037	\$33,871	\$67,741	\$178,222	\$356,443
Delaware/MD	\$14,248	\$28,497	\$11,381	\$22,763	\$45,787	\$91,573
Florida	\$53,936	\$107,872	\$38,819	\$77,639	\$318,908	\$637,815
Georgia	\$78,544	\$157,088	\$59,363	\$118,726	\$235,489	\$470,978
Hawaii	\$5,159	\$10,318	\$4,585	\$9,169	\$29,987	\$59,974
Idaho	\$66,921	\$133,842	\$34,013	\$68,027	\$211,585	\$423,170
Illinois	\$76,268	\$152,536	\$44,417	\$88,834	\$208,073	\$416,145
Indiana	\$59,064	\$118,128	\$29,081	\$58,162	\$139,414	\$278,828
Iowa	\$203,241	\$406,482	\$124,717	\$249,433	\$644,800	\$1,289,599
Kansas	\$101,026	\$202,052	\$65,037	\$130,074	\$273,108	\$546,215
Kentucky	\$72,026	\$144,052	\$35,088	\$70,176	\$147,775	\$295,549
Louisiana	\$122,240	\$244,479	\$88,447	\$176,893	\$329,692	\$659,385
Maine	\$21,833	\$43,666	\$14,979	\$29,958	\$71,601	\$143,202
Mass./CT/RI	\$17,534	\$35,059	\$377,533	\$755,065	\$200,508	\$401,016
Michigan	\$141,249	\$282,498	\$41,383	\$82,765	\$224,612	\$449,225
Minnesota	\$205,385	\$410,771	\$118,042	\$236,083	\$616,854	\$1,233,707
Mississippi	\$234,825	\$469,650	\$87,386	\$174,773	\$393,272	\$786,543
Missouri	\$154,846	\$309,692	\$262,652	\$525,305	\$371,250	\$742,500
Montana	\$132,296	\$264,593	\$36,439	\$72,878	\$197,612	\$395,223
Nebraska	\$125,481	\$250,963	\$66,737	\$133,474	\$328,530	\$657,061
Nevada	\$7,057	\$14,114	\$3,749	\$7,498	\$57,794	\$115,588
New Jersey	\$12,189	\$24,379	\$7,760	\$15,520	\$92,577	\$185,154
New Mexico	\$32,478	\$64,955	\$121,640	\$243,281	\$111,142	\$222,284
New York	\$110,072	\$220,145	\$109,609	\$219,217	\$666,622	\$1,333,243
North Carolina	\$76,251	\$152,501	\$42,997	\$85,994	\$280,973	\$561,946
North Dakota	\$151,894	\$303,787	\$93,683	\$187,366	\$386,969	\$773,937
Ohio	\$31,925	\$63,851	\$17,737	\$35,474	\$85,321	\$170,641
Oklahoma	\$191,403	\$382,805	\$103,882	\$207,764	\$468,062	\$936,124
Oregon	\$91,470	\$182,940	\$23,581	\$47,161	\$129,381	\$258,763
Pennsylvania	\$80,498	\$160,996	\$33,285	\$66,570	\$133,202	\$266,404
South Carolina	\$47,327	\$94,654	\$30,169	\$60,337	\$125,062	\$250,125
South Dakota	\$151,422	\$302,843	\$92,569	\$185,137	\$439,797	\$879,595
Tennessee	\$52,081	\$104,162	\$39,398	\$78,797	\$147,420	\$294,840
Texas	\$291,272	\$582,544	\$203,213	\$406,427	\$736,593	\$1,473,186
Utah	\$17,717	\$35,433	\$12,518	\$25,037	\$55,629	\$111,258
Vermont/NH	\$16,830	\$33,660	\$72,624	\$145,248	\$160,260	\$320,520
Virginia	\$39,966	\$79,933	\$25,999	\$51,998	\$124,468	\$248,935
Washington	\$79,959	\$159,917	\$36,237	\$72,474	\$213,209	\$426,418
West Virginia	\$19,770	\$39,541	\$14,032	\$28,064	\$52,737	\$105,474
Wisconsin	\$124,671	\$249,342	\$90,520	\$181,040	\$401,483	\$802,965
Wyoming	\$26,610	\$53,220	\$23,044	\$46,087	\$74,437	\$148,875
Puerto Rico	\$99,586	\$199,172	\$48,351	\$96,702	\$226,274	\$452,548
Unallocated	\$1,000,000	\$2,000,000	\$1,000,000	\$2,000,000	\$3,500,000	\$7,000,000
Total	\$5,000,000	\$10,000,000	\$4,000,000	\$8,000,000	\$15,000,000	\$30,000,000

Draft of FmHA Instruction 2024-A, Exhibit D

**Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation Programs**

**Table D-4
Page 1**

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
A	Inspection	1	Real Estate	S	S	S	S	S
		2	Chattel	S	S	S	S	S
		3	Crop	S	S	S	S	S
		4	Repairs					
		5	Construction					
		6	Supervisory					
B	Appraisals	1	Real Estate	S	S	S	S	S
		2	Chattel	S	S	S	S	S
		3	Crop	S	S	S	S	S
C	Analysis & Audits	1	Yearend Analysis/Reports/Audits		S			
		2	Subordination		S			
		3	Graduation		S			
		4	Farm Management Specialist	S	S	S	S	
		5	Debt Settlement		S	S	S	
		6	Budget Plan	S	S	S	S	S
		7	Financial Analysis	S	S	S	S	
		8	Payment Assistance Review					
		9	Account Auditing/CPA Studies					
		A	Other Than Above	S	S	S	S	S
D	Information Services	1	Tax Report & Record Documentation	S	S			
		2	Data Processing/Info Gathering	S	S	S	S	S
		3	Comparable and Market Studies	S	S	S	S	S
		4	Advertising	SDC	SDC	SDC	SDC	SDC
		5	Cost Estimators					
		6	Cost Certification					
		7	Review of Annual Reports					
		8	Wage Match					
E	Other Services	1	Architect & Engineering					
		2	Surveying		S	S	S	S
		3	Investigation		S	S	S	S
		4	Bankruptcy		S	S	S	
		5	Foreclosure (Non-Judicial State) (Note 1)		S	S	S	
		6	Title Search		SDC	SDC	SDC	SDC
		7	Trustee Agent (Foreclosure Actions)		S	S	S	
		8	Auctioneer (Note 7)			SDC	SDC	SDC

Authorities: A = Administrator; S = State Director; D = District Director; C = County Supervisor; Blank = No Authority

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Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation ProgramsTable D-4
Page 2

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
E	Other Services	9	Interpreter Services	S	S	S	S	S
		A	Mediation (No State Program)	SDC	SDC	SDC	SDC	SDC
		B	Attorney Serv. Foreclosure (Judicial) (Note 1)					
		C	Evictions					
		D	Spec. Writing					
		E	Supervisory Visits					
F	Maintenance/ Management	1	Property Management/Caretaking			SDC	SDC	SDC
		2	Hauling			SDC	SDC	SDC
		3	Temporary Custodial			SDC	SDC	
		4	Other			S	S	S
G	Repairs/ Improvements	1	Onsite (Note 3)			SDC	SDC	SDC
		2	Offsite			SDC	SDC	SDC
H	Real Estate Brok (Exclve Listing)	1	Commission			SDC	SDC	SDC
		2	Bonus			S	S	S
I	Real Estate Brok (Open Listing)	1	Commission			SDC	SDC	SDC
		2	Bonus			S	S	S
J	Environmental (Contractual or Noncontractual) (Note 2)	1	NEPA - Environmental Assessments	A	A			A
		2	NEPA - Environmental Impact Statements	A	A			A
		3	Miscellaneous NEPA Studies	S	S			S
		4	Archeological Surveys	S	S			S
		5	Miscellaneous Historical Preservation Activities	S	S			S
		6	Endangered Species Studies	S	S			S
		7	Wetland Delineations	S	S			S
		8	Preliminary Assessments (Notes 3 & 5)					S
		9	Site Inspections and Remedial					S
		A	Remedial Actions (Notes 3 & 5)					S
		B	Removal Actions (Notes 3, 5, & 6)			S		S
		C	Emergency Response Activities			S		S
		D	Underground Storage Tank Removals			S		S
		E	Underground Storage Tank Corrective Actions					S
		F	Lead Based Paint Testing and Inspections					S
		G	Lead Based Paint Abatement Activs. (Note 5) 5)					S
		H	Transaction Screen Questionnaire	S	S	S	S	S
		I	Phase I Environ. Site Assessments (Note 4)	S	S	S	S	S
		J	Phase II Environmental Site Assessments	S	S	S	S	S

Authorities: A = Administrator; S = State Director; D = District Director; C = County Supervisor; Blank = No Authority

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

**Program Authority to Contract and Make Noncontractual
Payments for Farmer/Emergency Designation Programs**

**Table D-4
Page 3**

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
K	Asset	1	Large Debt Settlement		S			
	Investigation	2	Debt Settlement		S			
L-M	Reserved							
N	Noncontractual	1	Real Estate Taxes		SDCA	SDC	SDC	SDC
	Payments	2	Personal Property Taxes		SDC	SDC	SDC	SDC
	(Note 2)	3	Insurance		SDC	SDC	SDC	SDC
		4	Prior and Junior Liens		SDC	SDC	SDC	SDC
		5	Recording, Filing		SDC	SDC	SDC	SDC
		6	Mediation (State Certified Program)	SDC	SDC	SDC	SDC	SDC
		7	Land Acquisition					S
		8	Authorized Selling Expenses		SDC	SDC	SDC	SDC
		9	Protective Advance		S	S	S	S
		A	Utilities			SDC	SDC	SDC
		B	Other					
		C	Selling Points					S
		D	Co-Pay/Homestead Appraisals		S			
O-X	Reserved							
Y	Managerial	1	Credit Reports	S	S			
Z	Other	1	Miscellaneous	A	A	A	A	A

Authorities: A = Administrator; S = State Director; D = District Director; C = County Supervisor; Blank = No Authority

Notes:

- 1) Includes cost reimbursement.
- 2) An employee does not need a contracting officer warrant to process noncontractual charges.
- 3) These activities applicable for response actions conducted pursuant to the Comprehensive Environmental Response Compensation, and Liability Act (CERCLA), Resource Conservation and Recovery Act (RCRA), and Toxic Substance Control Act (TSCA) or State laws governed by these statutes. All response actions shall be conducted by environmental professionals.
- 4) These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan processing/servicing activities.
- 5) These activities are conducted on inventory properties and refer to pre-remedial and remedial actions conducted pursuant to environmental statutes listed in Note 3.
- 6) These activities may be conducted on custodial property to protect the Agency's security interest.
- 7) District (D) and County (C) program authority is limited to \$15,000 per property; Administrator (A) and State Director (S) have no limit.

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation ProgramsTable D-7
Page 1

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
A	Inspection	1	Real Estate	N	N	R	R	N
		2	Chattel	N	N	R	R	N
		3	Crop	N	N	R	R	N
		4	Repairs					
		5	Construction					
		6	Supervisory					
B	Appraisals	1	Real Estate	N	N	R	R	N
		2	Chattel	N	N	R	R	N
		3	Crop	N	N	R	R	N
C	Analysis & Audits	1	Yearend Analysis/Reports/Audits		N			
		2	Subordination		N			
		3	Graduation		N			
		4	Farm Management Specialist	N	N	R	R	
		5	Debt Settlement		N	R	R	
		6	Budget Plan	N	N	R	R	N
		7	Financial Analysis	N	N	R	R	
		8	Payment Assistance Review					
		9	Account Auditing/CPA Studies					
		A	Other Than Above	N	N	R	R	N
D	Information Services Services	1	Tax Report & Record Documentation	N	N			
		2	Data Processing/Info Gathering	N	N	R	R	N
		3	Comparable and Market Studies	N	N	R	R	N
		4	Advertising	N	N	R	R	R
		5	Cost Estimators					
		6	Cost Certification					
		7	Review of Annual Reports					
		8	Wage Match					
E	Other Services	1	Architect & Engineering					
		2	Surveying		N	R	R	N
		3	Investigation		N	R	R	N
		4	Bankruptcy		N	R	R	
		5	Foreclosure (Non-Judicial State)		N	R	R	
		6	Title Search		N/R	R	R	N
		7	Trustee Agency (Foreclosure Actions)		R	R	R	
		8	Auctioneer			R	R	R

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation ProgramsTable D-7
Page 2

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
E	Other Services	9	Interpreter Services	N	N	N	N	N
		A	Mediation (No State Program)	N	N	R	R	N
		B	Attorney Serv. Foreclosure (Judicial)					
		C	Evictions					
		D	Spec. Writing					
		E	Supervisory Visits					
F	Maintenance/ Management	1	Property Management/Caretaking			R	R	N
		2	Hauling			R	R	N
		3	Temporary Custodial			R	R	
		4	Other			R	R	N
G	Repairs/ Improvements	1	Onsite			R	R	R
		2	Offsite			R	R	R
H	Real Estate Brok (Exclve Listing)	1	Commission			R	R	R
		2	Bonus			R	R	R
I	Real Estate Brok (Open Listing)	1	Commission			R	R	R
		2	Bonus			R	R	R
J	Environmental (Contractual or Noncontractual)	1	NEPA - Environmental Assessments	N	N			N
		2	NEPA - Environmental Impact Statements	N	N			N
		3	Miscellaneous NEPA Studies	N	N			N
		4	Archeological Surveys	N	N			N
		5	Miscellaneous Historical Preservation Activities	N	N			N
		6	Endangered Species Studies	N	N			N
		7	Wetland Delineations	N	N			N
		8	Preliminary Assessments					R
		9	Site Inspections and Remedial					R
		A	Remedial Actions					R
		B	Removal Actions			R		R
		C	Emergency Response Activities			R		R
		D	Underground Storage Tank Removals			R		R
		E	Underground Storage Tank Corrective Actions					R
		F	Lead Based Paint Testing and Inspections					N
		G	Lead Based Paint Abatement Activities					R
		H	Transaction Screen Questionnaire	N	N	R	R	N
		I	Phase I Environmental Site Assessments	N	N	R	R	N
		J	Phase II Environmental Site Assessments	N	N	R	R	N

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

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Draft of FmHA Instruction 2024-A, Exhibit D (Continued)

Recoverability of Program Loan Cost Expenses
for Farmer/Emergency Designation ProgramsTable D-7
Page 3

Code	Contract Purpose	Code	Detail	Program Activity				
				Proc	Serv	Cust	Acq	Inv
K	Asset Investigation	1	Large Debt Settlement		N			
	Investigation	2	Debt Settlement		N			
L-M	Reserved							
N	Noncontractual	1	Real Estate Taxes		R	R	R	R
	Payments	2	Personal Property Taxes		R	R	R	R
		3	Insurance		R	R	R	R
		4	Prior and Junior Liens		N/R	R	R	R
		5	Recording, Filing		N/R	R	R	N
		6	Mediation (State Certified Program)	N	N	R	R	N
		7	Land Acquisition					R
		8	Authorized Selling Expenses		R	R	R	R
		9	Protective Advance		N/R	R	R	N
		A	Utilities			R	R	N
		B	Other					
		C	Selling Points					R
		D	Co-Pay/Homestead Appraisals		N			
O-X	Reserved							
V	Managerial	1	Credit Reports	R	N			
Z	Other	1	Miscellaneous	N/R	N/R	R	R	N

Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority